

**CITY COUNCIL OF MONTEREY PARK
AND THE CITY COUNCIL ACTING ON BEHALF OF THE SUCCESSOR AGENCY OF THE
FORMER REDEVELOPMENT AGENCY
AGENDA**

**SPECIAL MEETING
Monterey Park City Hall Council Chambers
320 W. Newmark Avenue, Monterey Park, CA 91754**

**Tuesday
May 29, 2018
5:00 P.M.**

MISSION STATEMENT

**The mission of the City of Monterey Park is to provide excellent services
to enhance the quality of life for our entire community.**

Documents related to an Agenda item are available to the public in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and the City's website at www.montereypark.ca.gov.

PUBLIC COMMENTS ON AGENDA ITEMS

You may speak up to 5 minutes on Agenda item. You may combine up to 2 minutes of time with another person's speaking. No person may speak more than a total of 10 minutes. The Mayor and City Council may change the amount of time allowed for speakers.

Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting please call City Hall at (626) 307-1359 for reasonable accommodation at least 24 hours before a meeting. Council Chambers are wheelchair accessible.

This Agenda includes items considered by the City Council acting on behalf of the Successor Agency of the former Monterey Park Redevelopment Agency which dissolved February 1, 2012. Successor Agency matters will include the notation of "SA" next to the Agenda Item Number.

CALL TO ORDER Mayor

FLAG SALUTE Mayor

ROLL CALL Peter Chan, Mitchell Ing, Stephen Lam, Hans Liang, Teresa Real Sebastian

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

PUBLIC COMMUNICATIONS. While all comments are welcome, the Brown Act does not allow the City Council to take action on any item not on the agenda. The Council may briefly respond to comments after Public Communications is closed. Persons may, in addition to any other matter within the City Council's subject-matter jurisdiction, comment on Agenda Items at this time. If you provide public comment on a specific Agenda item at this time, however, you cannot later provide comments at the time the Agenda Item is considered.

ORAL AND WRITTEN COMMUNICATIONS

NEW BUSINESS

1. FISCAL YEAR 2018-2019 BUDGET

Consideration and possible action regarding the Fiscal Year 2018-2019 Budget. Staff will present a brief overview of policy issues, financial prospect and economic development, challenges/solutions, goals and strategies associated with the budget including, without limitation, the following matters:

- City 2018-2019 spending plan overview;
- Other risks and challenges affect City budget;
- Pension discount rate changes and projected impacts to City contribution rates for 2018-2019 and next four years;
- Mitigation strategies for the City's Pension and Other Post-Employment Benefit (OPEB) unfunded liabilities; and
- Goals and Objectives presented by all departments.

Council may raise other development, policy, capital project and potential budget adjustment items for consideration as part of the Budget.

Recommendations: The City Council should consider: 1) Receiving and filing the Preliminary Budget documentation for Fiscal Year 2018-2019; and 2) alternatively, take such additional, related, action that may be desirable.

ADJOURN TO Monday, June 4, 2018 at 4:00 p.m.

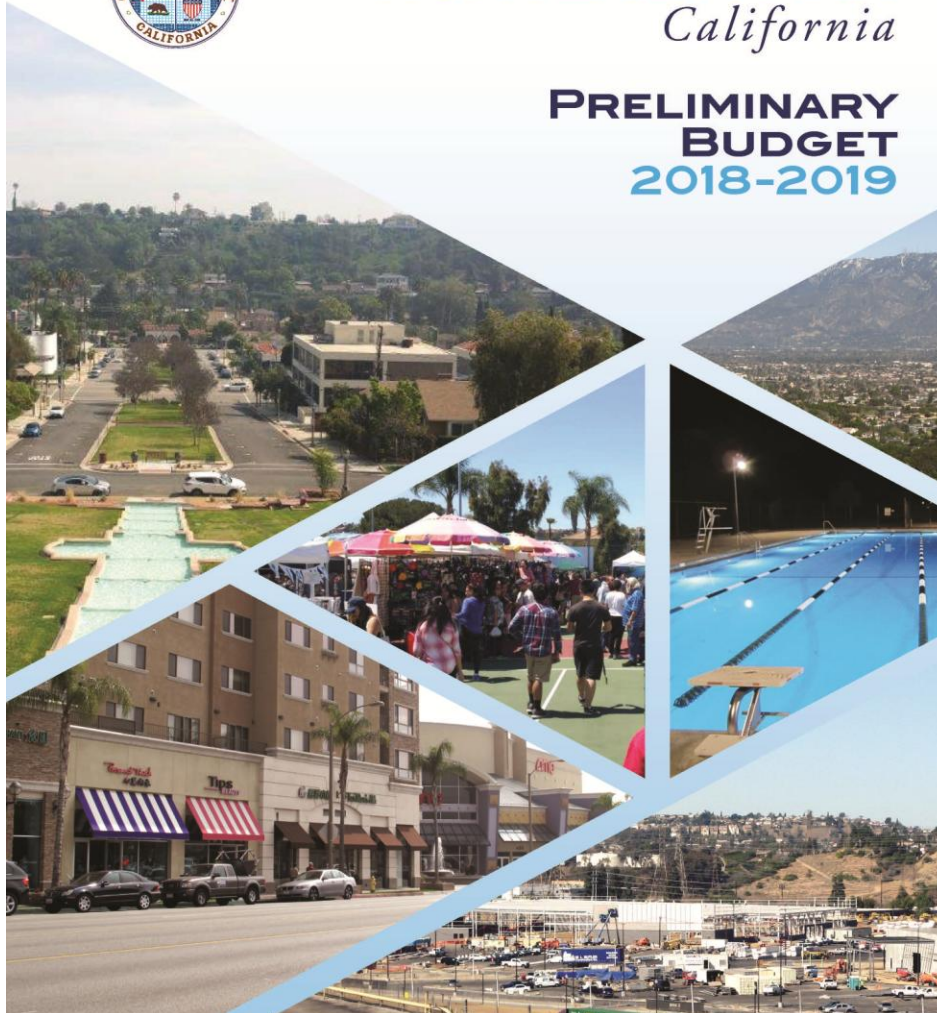
ORAL AND WRITTEN COMMUNICATIONS

City of Monterey Park



**CITY OF
MONTEREY PARK**
California

**PRELIMINARY
BUDGET
2018-2019**



Agenda

- **Overall Preliminary Budget Presentation**
- **Departmental Proposed Budget Presentation**
 1. **Management Services**
 2. **Human Resources & Risk Management**
 3. **Community & Economic Development**
 4. **Police**
 5. **Fire**
 6. **Library**
 7. **Recreation/Community Services**
 8. **Public Works**
 9. **Capital Improvement**
 10. **Non-Departmental**
 11. **City Council; City Manager; City Clerk; City Treasurer;
City Attorney**

- Includes \$45.5 million General Fund, \$59.6 million special funds. A \$3.6 million is from the GF committed reserve for the Market Place roadway improvements and \$120,000 from the assigned for Library operations.
- Certified City population from DOF is 62,240
- The spending plan reflects proposals for:
 - *Labor contracts for all misc units; pending negotiations with safety*
 - *State minimum wage to \$12 per hour in 1/2019 & is scheduled to eventually rise to \$15*
 - *Total 364.04 full-time-equivalent, up 0.37 FTEs*
 - *Higher pension costs across-the-board: Safety Plan up by 26% & Miscellaneous Plan by 18%*
 - *\$12.3 million capital and infrastructure improvements*
 - *Continue paying down pension unfunded liability strategies*
 - *Continue retiree medical prefunding to reduce unfunded OPEB liability*
 - *Any excess revenues (if there are some) should be put away in reserves*

Other Risks and Challenges Affect City Budget

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- **The risk of a U.S. recession remains and the Fed continues its tightening policy.**
- **Pension liabilities will double over the next six years, outstripping revenue growth and further squeezing our ability to provide essential services.**
- **The City faces many unfunded liabilities, such as:**
 - **Funding for self-insurance programs to reach prudent levels of coverage**
 - **Maintenance to keep capital assets in acceptable condition**
- **Several ballot measures currently being circulated would, if approved by voters, further restrict local revenue.**



Proposed Staffing Changes

<i>Dept</i>	<i>Position</i>	<i>Salary</i>	<i>Benefits</i>	<i>Total</i>
City Clerk	Upgrade Secretary to City Clerk Assistant <i>(Funding: General Fund)</i>	6,822	2,159	8,981
Management Services	Add New IT System Analyst <i>(Funding: Technology)</i>	86,244	46,314	132,558
Human Resources/ Risk Management	Add New Risk Mgmt Analyst <i>(Funding: General Liability/ Workers' Comp Funds)</i>	73,020	42,056	115,076
Total Staffing Funding Change		\$166,086	\$90,529	\$256,615

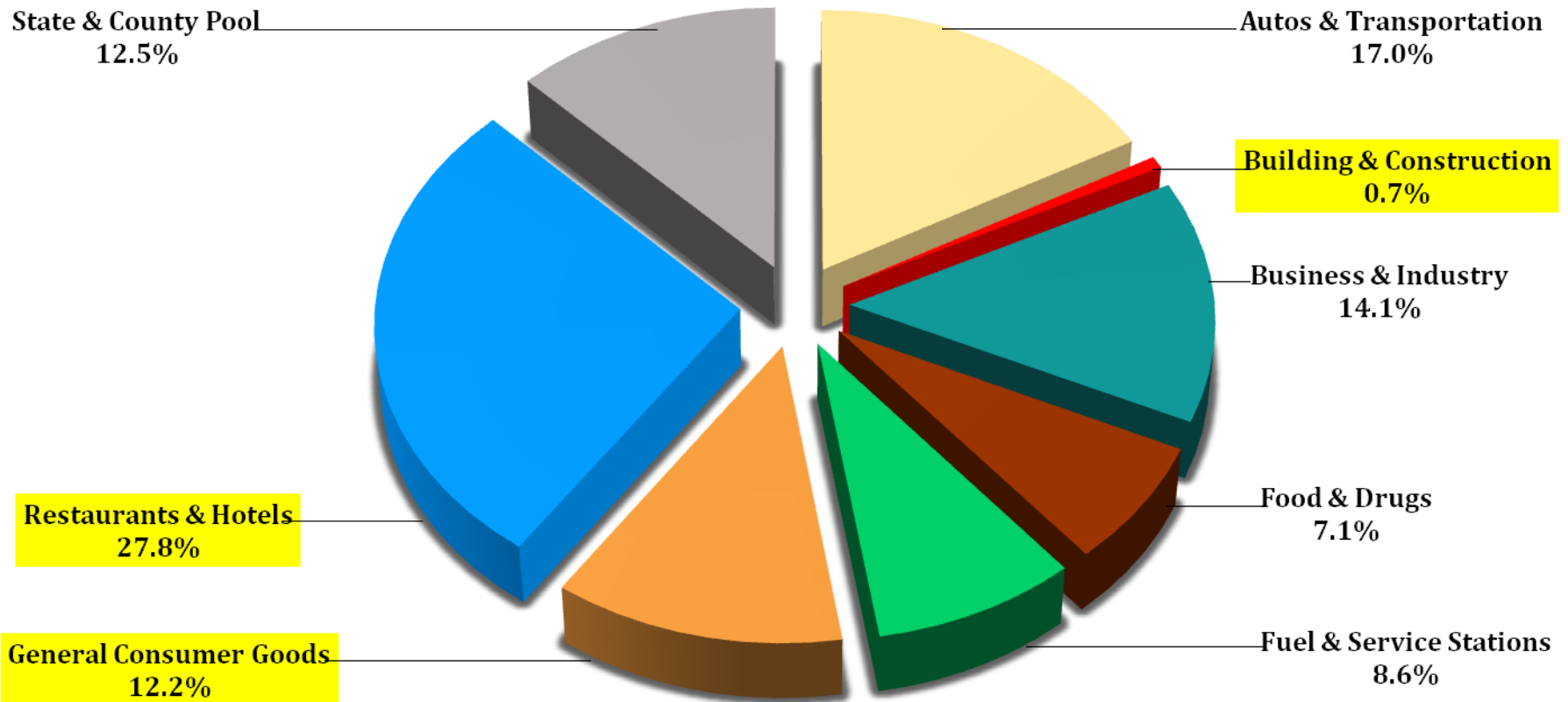
General Fund Revenues

<i>(Amounts in 000s)</i>	Approved 2017-18	Est. Actual 2017-18	Estimated 2018-19
Property Tax	\$16,375	\$17,513	\$17,844 ⁽¹⁾
Sales Tax	6,400	6,300	7,100 ⁽¹⁾
Utility Tax	3,200	2,910	3,000
Other Taxes	2,628	2,425	2,765 ⁽¹⁾
Licenses & Permits	3,583	2,741	2,602
Service Charges	5,902	6,262	6,172
Other Revenue	2,875	3,345	3,222
Total	\$40,963	\$41,496	\$42,705⁽²⁾

(1) Amounts reflect anticipated revenues from developments: Market Place – Property Tax and Sales Tax; Marriott Hotel – hotel tax

(2) Amount excludes transfer

City of Monterey Park Sales Tax Category



General Fund Expenditures

<i>(Amounts in 000s)</i>	Est. Actual 2017-18	Proposed 2018-19
Police	\$14,455	14,901
Fire	10,030	9,877
Public Works	2,660	2,797
Library	1,911	2,161 ⁽¹⁾
Community/Econ Development	2,000	2,020
Recreation/Community Services	2,183	2,351
General Administration	2,616	2,903
Post Employment/Liabilities	5,070 ⁽²⁾	4,826
Capital Improvements	3,103 ⁽³⁾	3,679 ⁽⁴⁾
Total	\$44,028	\$45,515

1. \$120,000 from GF reserve for library operation
2. GF midyear transfer for Workers' Comp and pension UAL paydown
3. \$2.5 M from GF CIP reserve for the start of Fire Station 62 Project per Midyear
4. \$3.6 M from GF committed reserve for Potrero Grande beautification

General Fund Reserve

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<i>(\$ in thousands)</i>	2017-18	2018-19
Beginning Balance	\$20,401	\$17,869
Revenues	41,496	42,705
Expenditures	(40,528)	(41,794)
Approved Midyear Transfer	(3,500)⁽¹⁾	
2002 TI Bonds Proceeds		(3,600)
GF Assigned for Library		(120)
Ending Balance	\$17,869	\$15,060⁽²⁾

1. 2017-18 Midyear: \$2.5 M for Fire 62 construction and \$1 M for Workers' Comp and Pension UAL
2. The fund balance consists of Committed balance (\$7.2 M); Assigned (\$3.7 M); and Unassigned (\$4.1 M)

Restricted Funds include Special Revenue, Enterprise, Internal Service, and Successor Agency Funds.

- **Retirement Fund continues a gap-funding transfer from GF; GF supplement is \$2.6 million for 2018-2019**
- **The SB1 Fund reflects the 1st year full-funding under the Road Repair and Accountability Act; SB 1 funds are used for streets and roads improvements**
- **Library Tax levy ended in April 2018 and Library Tax Fund is closed**
- **2018-2019 water assessment charge is \$2.1 million and continues to be higher for next a few years**
- **Workers' Compensation and General Liability Funds continue with higher insurance premiums. One-time transfer of \$500,000 is required from Separation Benefits to General Liability**
- **Water and Sewer rates are in rate study process**
- **Successor Agency admin costs are reduced from \$250,000 to \$190,000 and will be phased out soon; all admin costs will be shifted to GF**

General Fund Supplements to Restricted Funds 2018/2019

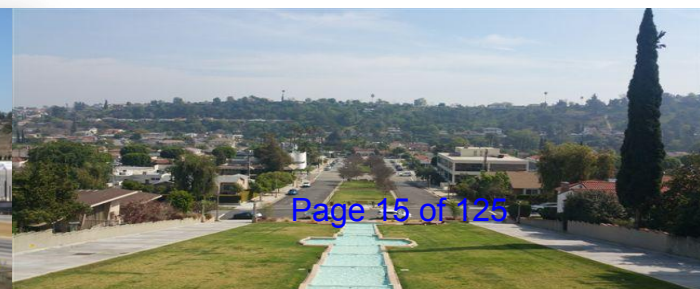
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From Fund	Description	To GF
Retirement	Pension Costs	2,600,000
Maint Dist	Street Lighting and Landscaping Maint Costs	841,000
Successor Agency	Admin Costs for Handling Former RDA ROPS Process	60,000
		\$3,501,000

Capital Improvements

Street Construction	\$ 5,218,000
Water Capital	2,100,000
Community Capital	4,938,762 ⁽¹⁾
Total	<u>\$ 12,256,762</u>

(1) The spending plan evaluates the City's infrastructure needs in the overall context of available funding sources, including a proposed \$2.6 million debt financing for Fire ladder truck and engines



Pension Discount Rate Changes

- How pension costs are funded:



- CalPERS lowers the discount rate from 7.50% to:

Valuation Date	FY Required Contribution	Discount Rate
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.250%
June 30, 2018	2020-21	7.000%

- The discount rate reduction impacts contributions in years ahead.

Projected Impact of Pension Discount Rate Reduction

Projected City Contribution Rates

Plan	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Safety	43.4	49.0	53.8	57.6	60.6
Miscellaneous	31.6	35.1	37.9	40.3	42.2

- It is imperative that the City understands the magnitude of these changes to contributions and future budgets
- Incrementalism is a good way to make progress in funding liabilities over time

Mitigation Strategies to Unfunded Pension Liability ¹⁵

Pension Plan	Unfunded Liability	Funded Ratio
Safety	\$54.54 million	71.3%
Miscellaneous	\$39.92 million	67.5%

- **Establish the funding goal to manage liabilities**
- **Continue CalPERS prepayment option.**
 - Prepay UAL contributions in July
 - Savings of approx. \$200,000 is used to reduce unfunded liability
- **Appropriated funds annually to pay down**
 - \$400,000 for 2018-19
 - Continues this practice for each budget year
- **Continue seeking the option for employees to pay a larger share of cost during negotiation**

Retiree Medical Unfunded Liability

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- The City has a formal trust account
- To date, MP is one of the 507 California agencies took steps to proactively handle this unfunded liability issue
- Unfunded OPEB liability over \$30 million
- 2018-2019 continues trust funding of \$950,000
- Accounting changes for recording OPEB liability from a Cash to an Accrual basis and will be displayed on the face of the balance sheet

In Closing

- ❖ **Ensure the revenues and expenses support high-quality service levels and long-term goals**
- ❖ **Shifts resources to address physical and technology infrastructure needs**
- ❖ **Continue our commitment for a fiscal viable, clean and safe community, and establishing a smart and sustainable City**

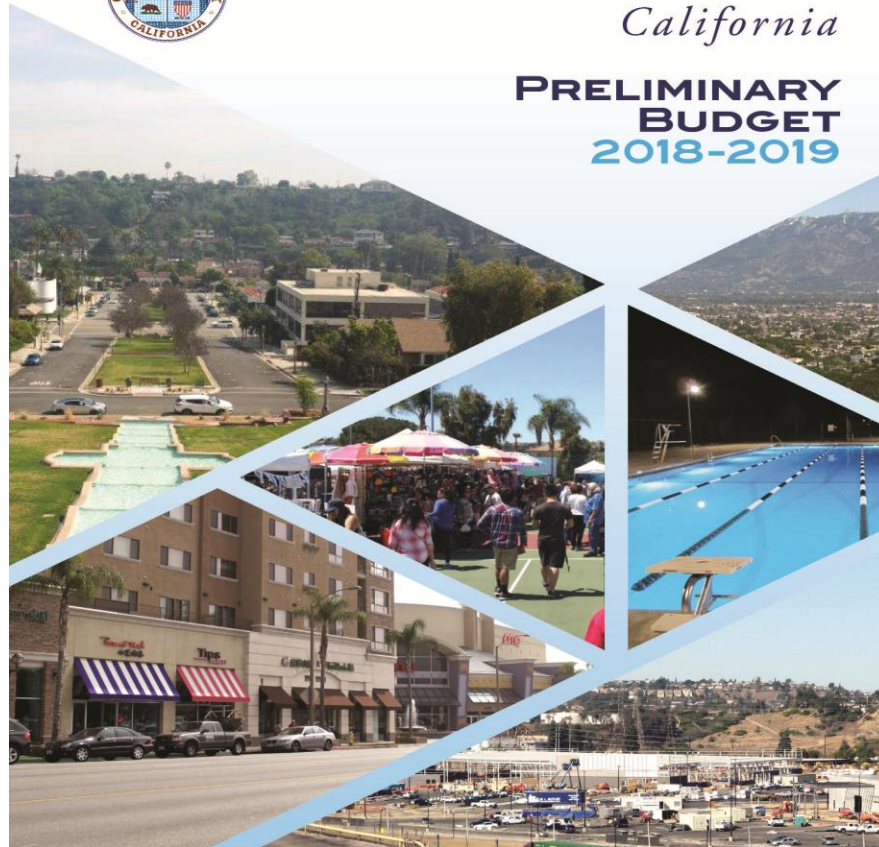


City of Monterey Park



**CITY OF
MONTEREY PARK**
California

**PRELIMINARY
BUDGET
2018-2019**



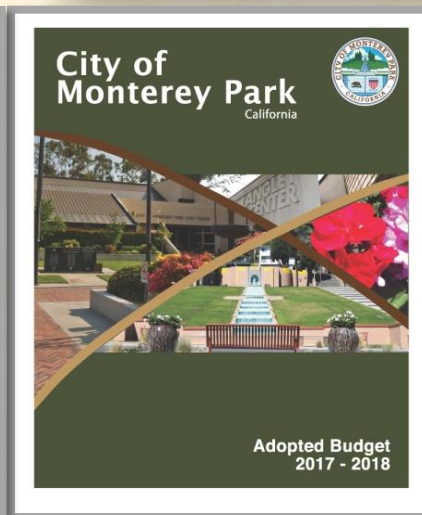
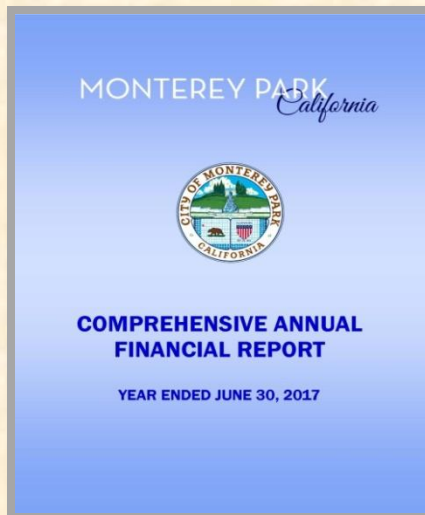
City of Monterey Park

Departmental Presentation



2018-2019

Management Services



Management Services

Activity 1403, 1404, 1406, 1407, 1408

It's the core of the City's financial operations; establishes and maintains the City's administrative policies and procedures for internal controls. Performs functions including financial planning and operations, Budget, Investment, Cash Management, Debt Management, Grant Accounting, Payroll, A/P, A/R, Auditing, IT Management, Support Services and Revenue Collections

Divisions:

- Finance (1403)
- IT Management (1404)
- Support Services (1406, 1407, 1408)

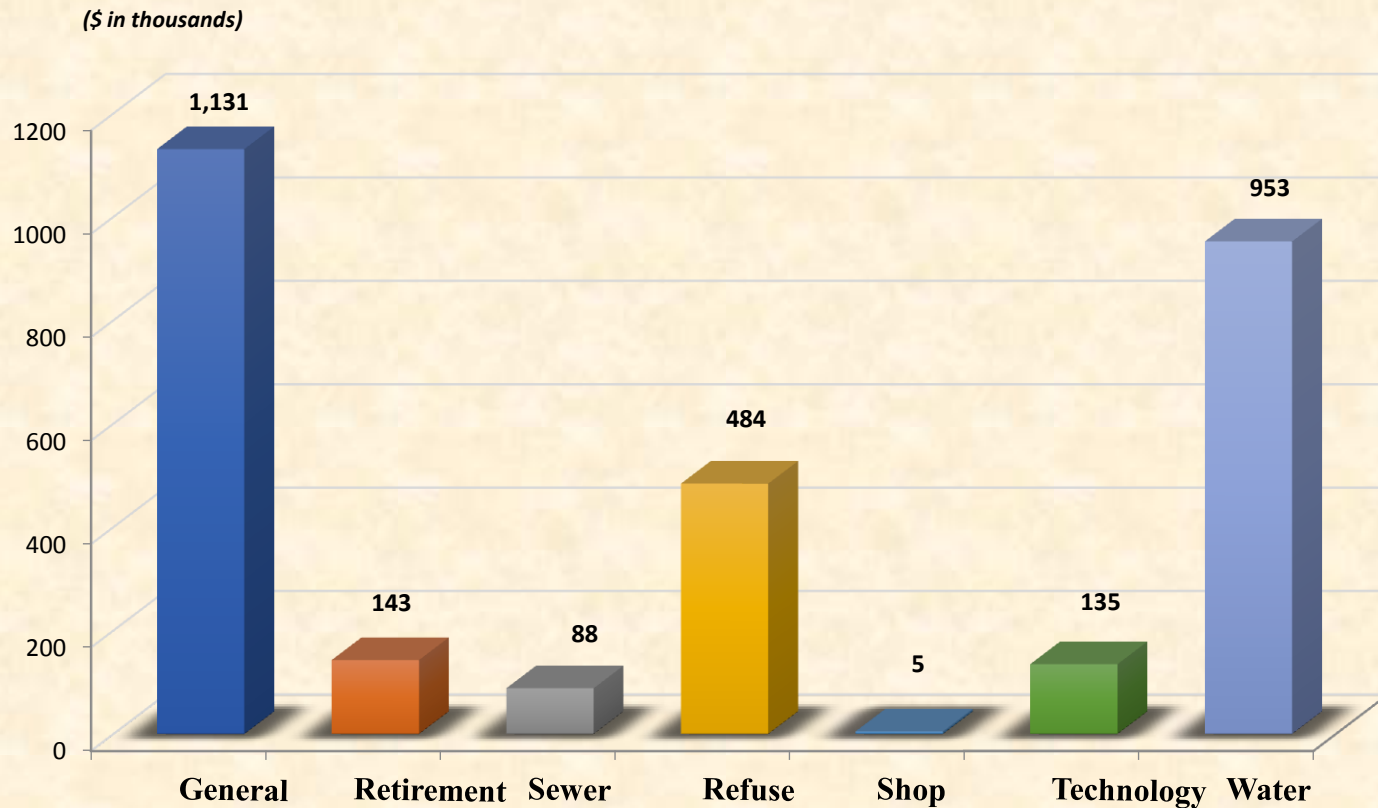
Management Services Proposed Budget

(\$ in thousands)	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Finance (1403)	\$ 1,062	\$ 1,109	7.13 (1)
Data Processing (1404)	256	396	1.00 (2)
Revenue Collection (1406)	561	625	5.35
Central Support (1407)	371	400	1.82
Comm/Duplicate (1408)	355	409	0.78
	<u>\$ 2,605</u>	<u>\$ 2,939</u>	<u>16.08</u>

(1) The Controller's position is replaced by Financial Services Manager

(2) Add one IT System Analyst position

Funding Sources



<u>General</u> \$1,131,197	<u>Retirement</u> \$142,986	<u>Sewer</u> \$88,426	<u>Refuse</u> \$484,196
<u>Shop</u> \$5,000	<u>Technology</u> \$135,018	<u>Water</u> \$952,615	

Major Expenditure Explanations 2018-2019

Inc/<Dec>

Finance (1403):

- Contracted Services for anticipated new ERP system + \$ 32,500

Data Processing (1404):

- One New IT system analyst position + \$ 132,500

Communications/Duplication (1408):

- City Telephone Charges + \$ 23,000

❑ Major Accomplishments for 2017-18

- Received awards for excellence from GFOA & CSMFO for Budget & CAFR
- Implemented the ACH payment process for City vendors
- Established and implemented new Refuse rates to achieve customer savings
- Completed RFP and entered into a contract for business license compliance auditing
- Performed a utility rate study for Water, Wastewater, and Solid Waste rates
- Completed a new contract for citywide IT support services
- Installed a payment Kiosk for customer convenience

□ Goals & Objectives for 2018-19

- Continue receiving Budget and CAFR awards
- Participate in the new Enterprise Resource Planning System (ERP) implementation process
- Implement new utility rates to improve and enhance water and sewer infrastructure
- Analyze & monitor sales tax and property tax revenues generated from the Monterey Park Market Place
- Conduct IT security audit and training for employees
- Develop an outreach program to inform residents with new kiosk payment system

Human Resources & Risk Management



HR & Risk Management Proposed Budget

- The City's employment, training, and loss prevention control operations center
- Administers eight (8) labor contracts: Mid-Management, Confidential, SEIU, Police, Police Captain, Police Mid-Management, Fire, and Fire Management

HR & Risk Management Proposed Budget

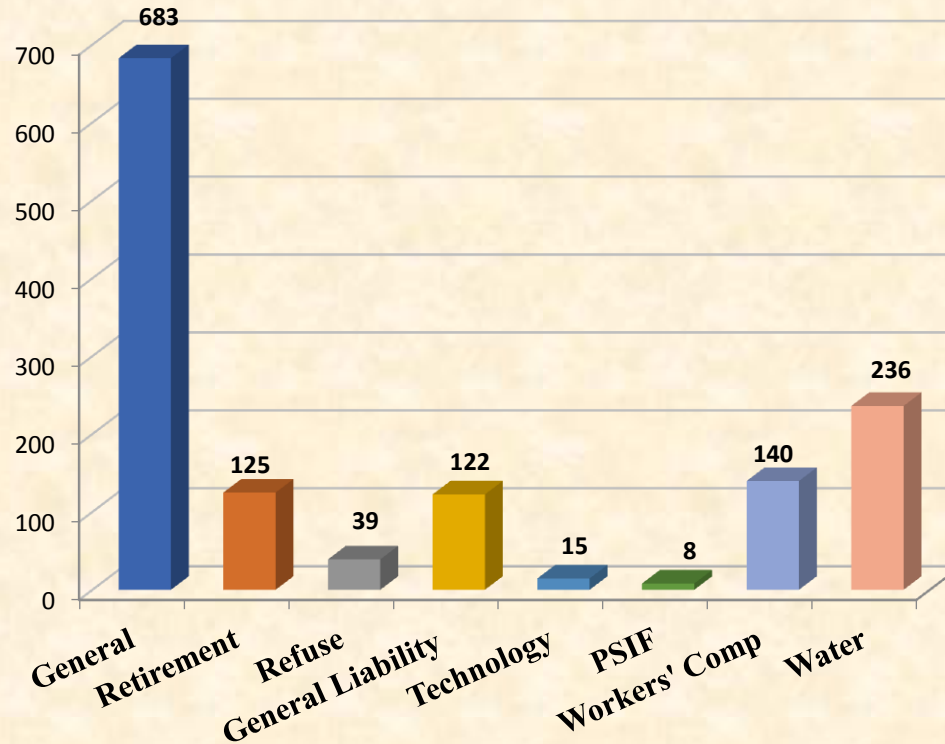
(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Human Resources (1801)	\$ 636	\$ 713	3.50
Risk Management (1802)	577	654	2.50
Total	\$ 1,213	\$ 1,367	6.00

	<u>Inc/<Dec></u>
■ Contracted services for physical exam fees, EAP, & FSLA	+\$ 36,000
■ Added new position for Risk Management Analyst	+\$ 115,000

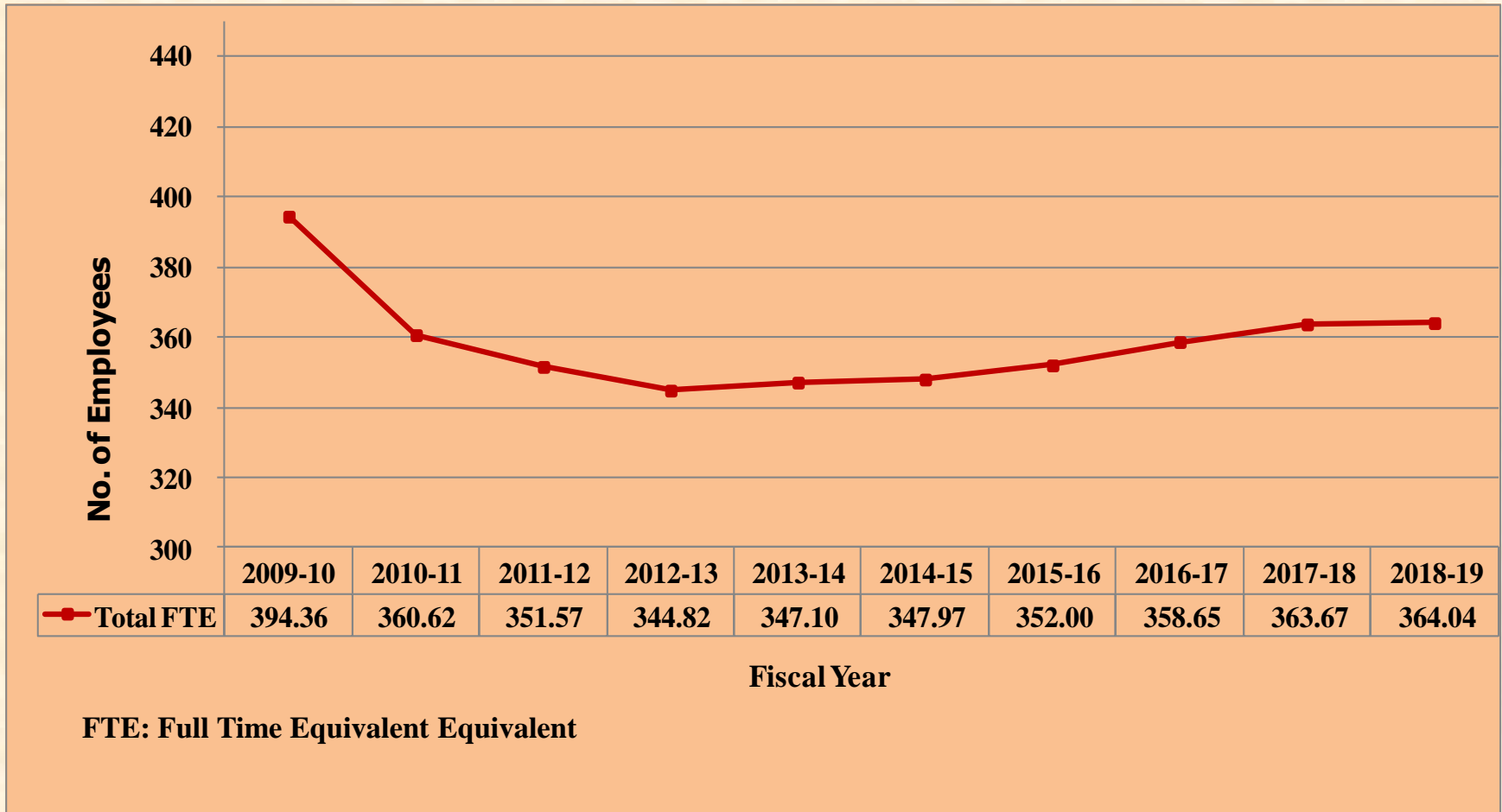
Funding Sources

(\$ in thousands)



<u>General</u> \$682,554	<u>Retirement</u> \$124,784	<u>Refuse</u> \$39,000	<u>General Liab</u> \$122,466
<u>Technology</u> \$14,500	<u>Public Safety</u> \$8,000	<u>Workers' Comp</u> \$139,683	<u>Water</u> \$236,030

Ten Year Citywide FTE Personnel Summary



❑ Major Accomplishments for 2017-18

- Recruited & filled 52 positions
- Completed negotiations with three Misc Units
- Implemented Flexible Spending Account (FSA) benefit
- Completed the 457 deferred compensation transition to Mass Mutual per fiduciary requirement
- Conducted employee training for 517 employees
- Facilitated pre-employment process for 172 new full-time and part-time employees and volunteers

□ Goals & Objectives for 2018-19

- Complete MOU negotiations with five (5) Safety units
- Conduct Employee Appreciation & Recognition Programs to recognize employee achievement
- Update the City's rules and regulations; conduct a Fair Standards Labor Act Rate of Pay Audit
- Continue the Ergonomic Program to combat WC cases
- Provide CalOSHA Public Works trainings and in-house Workplace Safety and Accident Investigation training

Community and Economic Development



Community and Economic Development

Activity 1701, 1702, 1703, 1704, 2201, 2206, 2207, 1111

Responsible for the development and maintenance of a high-quality environment for the residents

Six Divisions:

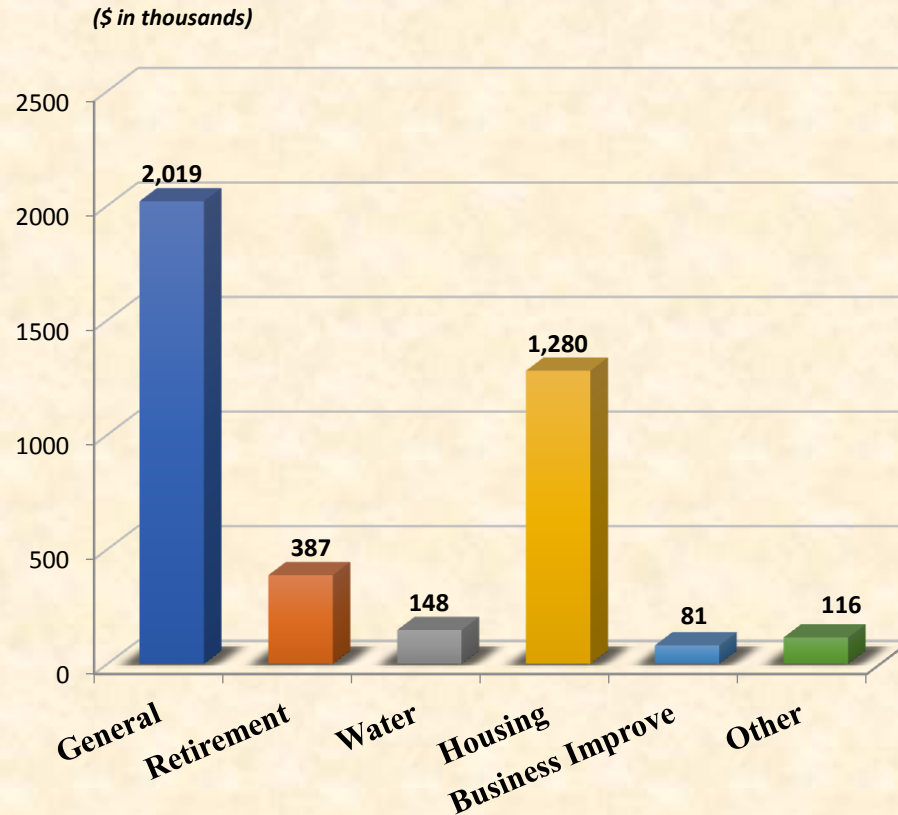
- Planning (1701)
- Code Enforcement (1702)
- Building (1703)
- Economic Development (1704)
- Housing (2201, 2206, 2207)
- Business Improvement District (1111)

Community & Economic Development Proposed Budget

(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Planning (1701)	\$ 358	\$ 376	2.15
Code Enforcement (1702)	635	672	5.30
Building and Safety (1703)	893	1,014	6.30
Economic Development (1704)	1,144	608	3.05
CDBG (2201)	561	580	0.05
Home Program (2206)	737	640	0.05
Housing Program(2207)	60	60	
Business Improvement District (1111)	116	81	
	<u>\$ 4,504</u>	<u>\$ 4,031</u>	<u>16.90</u>

Funding Sources



<u>General</u> \$2,019,567	<u>Retirement</u> \$387,399	<u>Water</u> \$147,921
<u>Housing/Home/CDBG</u> \$1,219,868	<u>Business Improve</u> \$80,751	<u>Other</u> \$115,715

Other: Refuse fund, General Plan Review Trust, and Record Management Fee

Major Program Expenditure Explanations

2018-2019

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Building and Safety (1703)

- Contract Services for anticipated developments \$ + 65,000

Economic Development (1704)

- Contract Services (Removed EDI grant funding) \$ (597,000)

CDBG Administration (2201)

- HUD Section 108 loan payment \$ + 20,000

❑ Major Accomplishments for 2017-18

- Commenced construction for Costco, Home Depot and the Courtyard by Marriott
- Continued the 3rd year weekend Code Enforcement Program
- Completed plan check and issued construction permits for Marriot Hotel, Market Place site improvement, Costco, Home Depot and Able Storage
- Commenced improvements for the South Garfield Village
- Established an Employment Hiring Program for the Market Place project
- Completed three residential rehabilitation projects

□ Goals & Objectives for 2018-19

- Continue providing assistance to Market Place Development and South Garfield Village street improvements
- Commence with General Plan updates
- Implement a Manual of Responsibility and Standard of Operating Procedure (SOPs) between the Code Enforcement and City departments
- Continue the Accela software modification and adjustments for permit processing
- Continue to facilitate the establishment of a BID in South Garfield Village Specific Plan area
- Identify programs designed to enhance downtown Monterey Park
- Promote fair housing through the Housing Rights Center for residents



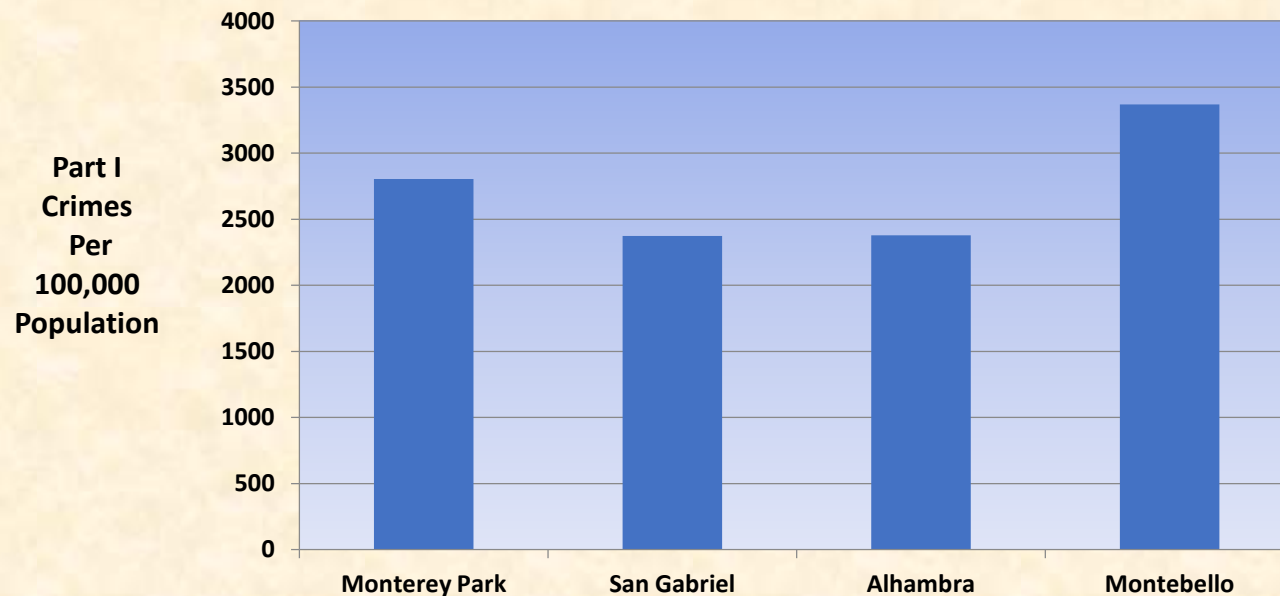
Police



Police

Activity 3101, 3102, 3103, 3104, 3111, 3112, 3113, 3114, 3115, 3120

- Police has ten (10) Bureaus from Activity 3101 through Activity 3120.
- Identify best solutions to address community safety and quality of life issues



Police Proposed Budget

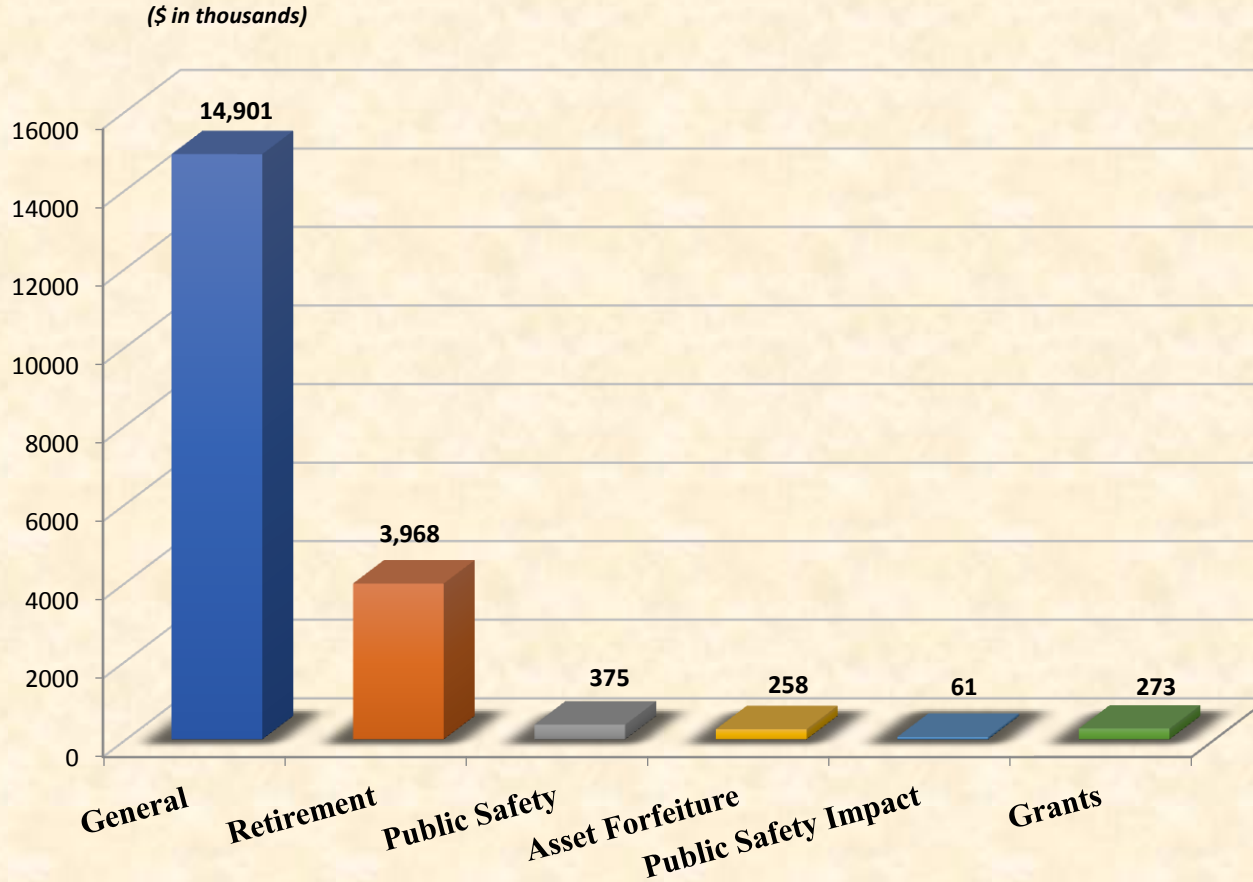
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(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Administration (3101)	\$ 1,205	\$ 779	4.00
Traffic (3102)	1,537	1,547	14.22
Field Services (3103)	8,601	9,269	49.50
Investigations (3104)	2,802	3,048	16.55
Animal Services (3111)	282	324	1.70
Communications (3112)	1,326	1,414	9.94
Jail (3113)	817	888	6.70
Records (3114)	988	1,101	11.20
Computer Services (3115)	704	760	
Community Relations (3120)	640	706	4.95
Total	\$ 18,902	\$ 19,836	118.76 (1)

(1) Sworn Officer: 74 Support Personnel: 44.76

Funding Sources



<u>General</u> \$14,900,901	<u>Retirement</u> \$3,968,471	<u>PS Augmentation</u> \$375,000
<u>Asset Forfeiture</u> \$257,580	<u>Grant</u> \$272,863	<u>PS Impact Fee</u> \$61,415

Major Program Expenditure Explanations 2018-2019

Traffic (3102)

- Office Equipment – completion of OTS grant \$ (23,500)

Animal Services (3111)

- L.A County Animal Control contract + \$ 25,000

Communications (3112)

- Telephone per usage trend \$ (17,000)

Computer Services (3115)

- Tyler System Maintenance & Support + \$ 44,000

❑ Major Accomplishments for 2017-18

- Completed 2017, \$171,000 OTS grant and received 2018, \$130,000
- Provided roll call training to all patrol shifts on new case law/policy
- Investigated and arrested two suspects for homicide
- Conducted sting operations using the “Offer Up” phone app
- Hosted two low-cost vaccination/licensing clinics
- Began receiving text to 9-1-1 calls as an alternative way to report emergencies
- Installed the Crossroads E-Citation software for traffic and patrol
- Promoted “Pay to Stay” Sentenced Prisoner Program in Jail Bureau
- Participated in the annual LA County Homeless count

□ Goals & Objectives for 2018-19

- Conduct monthly pedestrian enforcement operations
- Review and update the school response plans and provide training for emergency and active shooter at schools
- Quarterly, conduct 10% inventory of the Evidence and Property Room
- Conduct three probation compliance checks
- Attend patrol briefings to provide updated training on Animal Control issues
- Attend quarterly neighborhood watch meetings to educate residents
- Update the Records Bureau's manuals and documents
- Research and install of the Prelims (E-Evidence) computer system



LIBE

Fire



Fire

Activity 3201, 3205, 3210, 3220, 3230

Provide fire prevention, emergency operations, emergency medical services, and community risk reduction.

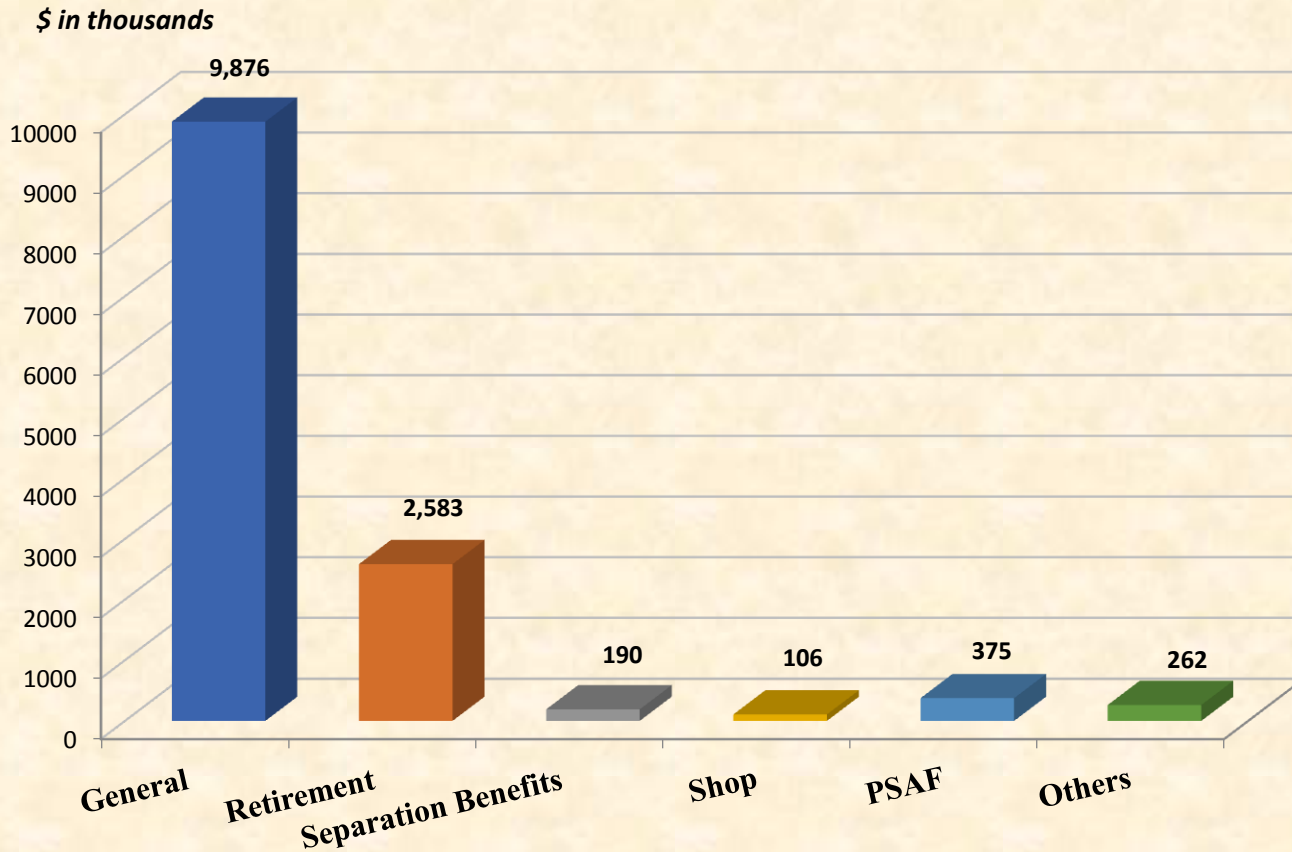
- Respond to over 5,203 emergency calls annually
- Respond to 1,300 mutual aid calls annually
- 5.00 minutes average response time for Emergency Medical
- 6.00 minutes average response time for Fire Calls
- 11,700 volunteer hours

Fire Proposed Budget

(\$ in thousands)	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Administration (3201)	\$ 532	555	2.85
Fire Prevention (3205)	584	609	4.30
Emergency Operations (3210)	7,676	8,026	34.25
Emergency Medical (3220)	3,750	3,702	17.45
Community Risk Reduction (3230)	585	501	1.95
	<u>\$ 13,127</u>	<u>\$ 13,393</u>	<u>60.80 (1)</u>

(1) Sworn Personnel: 52 Non-sworn personnel: 8.8

Funding Sources



<u>General</u> \$9,876,576	<u>Retirement</u> \$2,583,437	<u>Shop</u> \$106,121
<u>PS Augmentation</u> \$375,000	<u>Separation Benefits</u> \$189,928	<u>Others</u> \$261,871

Major Program Expenditure Explanations 2018-2019

Inc/<Dec>

Fire Administration (3201)

- Telephone and Technology + \$ 22,000

Emergency Operations (3210)

- Shift one Firefighter from Emergency Medical (3220) + \$ 70,000

Emergency Medical Services (3220)

- Shift one Firefighter to Emergency Operations (3210) \$ (70,000)

Communication Risk Reduction (3230)

- Public relations/Safety education Training + \$ 10,000

❑ Major Accomplishments for 2017-18

- Utilized a third-party vendor for billing and collections services such as inspections and industrial waste
- Developed and implemented a “Recruitment to Retirement” program for succession planning
- Completed a “Stop the Bleed” and CPR training for employees
- Developed a report to monitor and evaluate EMS response times
- Certified “Train the Trainers” CERT members
- Developed and implemented an all risk community preparedness guide

□ Goals & Objectives for 2018-19

- Develop a five-year projection for emergency communication enhancements and replacement
- Enter an agreement with a third-party web-based online reporting solution for electronic submission
- Enhance Urban Search and Rescue program for members being ready for emergency
- Develop and implement for probationary firefighter online video and performance standards training materials
- Develop and implement a probationary Emergency Medical Services module for new firefighters and paramedics
- Continue to expand the “Vial of Life” program and “Sidewalk CPR”
- Develop and implement new Local Hazard Mitigation Plan



MONTEREY PARK
BRUGGEMEYER LIBRARY

Bruggemeyer Library



Monterey Park Bruggemeyer Library

Activity 6001, 6002, 6003, 6004, 6005, 6006

- Meet the cultural, educational and informational needs of the residents
- Has a collection of 125,373 volumes of books, 6,687 government publications, 4,659 audio items, 5,791 DVDs, 4,429 maps, 422 pamphlets and 102 magazine and newspaper subscriptions.

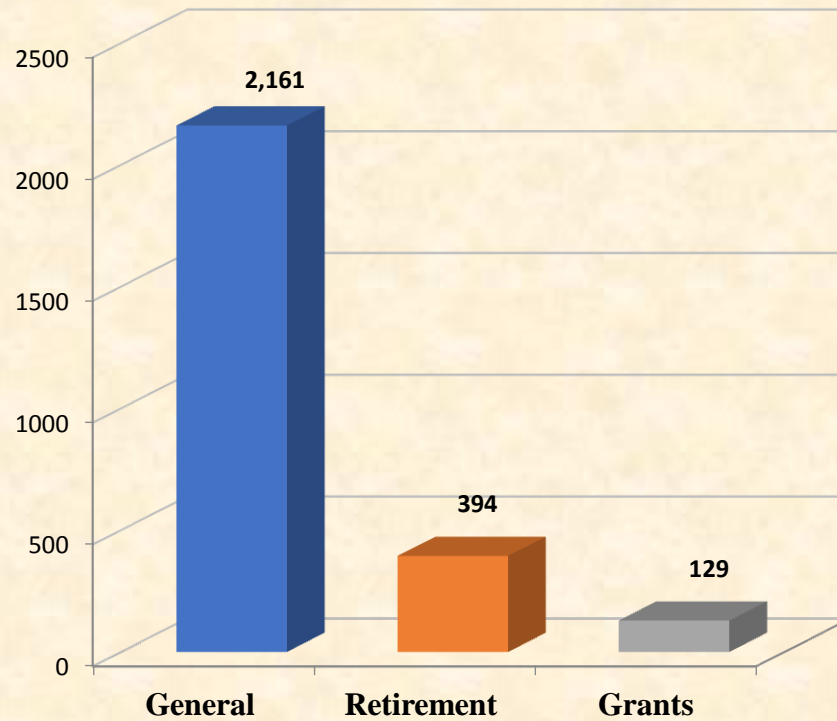
Library Proposed Budget

(\$ in thousands)	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Administration (6001)	\$ 903	\$ 512	3.60
Reference & Adult (6002)	439	466	3.55
Technical Services (6003)	561	568	4.34
Circulation (6004)	434	442	5.74
Literacy (6005)	276	333	3.93
Children's Services (6006)	350	363	3.46
Total	<u>\$ 2,963</u>	<u>\$ 2,684</u>	<u>24.62</u> ⁽¹⁾

(1) Decreased part-time hours due to Measure C expiration

Funding Sources

(\$ in thousands)



<u>General</u>	<u>Retirement</u>	<u>Grants</u>
\$2,161,400	\$394,176	\$128,709

Major Program Expenditure Explanations 2017-2018

Inc/<Dec>

Overall

- Total general fund increases to cover electricity, supplies, books and subscription, and repair and maintenance \$ 251,000

❑ Major Accomplishments for 2017-18

- Revamped website for more event features
- Implemented a diverse eBook collection
- Promoted reading and Technology during Teen Tech Week and Teen Read Week
- Received \$23,000 Libraries Illuminated grant to fund laptops and wireless printing software
- Added 16 Chromebooks funded by S.C. Edison and Kiwanis Club
- Implemented a free mobile app for self-checkout
- Increased passport application acceptance
- Hosted 35 field trips to the library and visited schools 20 times

□ Goals & Objectives for 2018-19

- Establish, identify, deliver quality service for customer needs
- Explore new ways of engaging adults with reading
- Develop new Teen Tech Week and Teen Read Week programs
- Plan and support robotics coding programs
- Continue to promote usage of library's self-checkout technology
- Expand online resources to enhance Library ESL and Citizenship webpage
- Hold a preschool fair to educate early education options

Recreation and Community Services



Recreation and Community Services

Activity 6502, 6503, 6505, 6506, 6507, 6508, 6509, 6511

Develop, implement, coordinate, and deliver a variety of activities and programs:

- Recreation classes and swim lessons
- Facilities Reservations
- Langley Senior Center Services
- Special Events

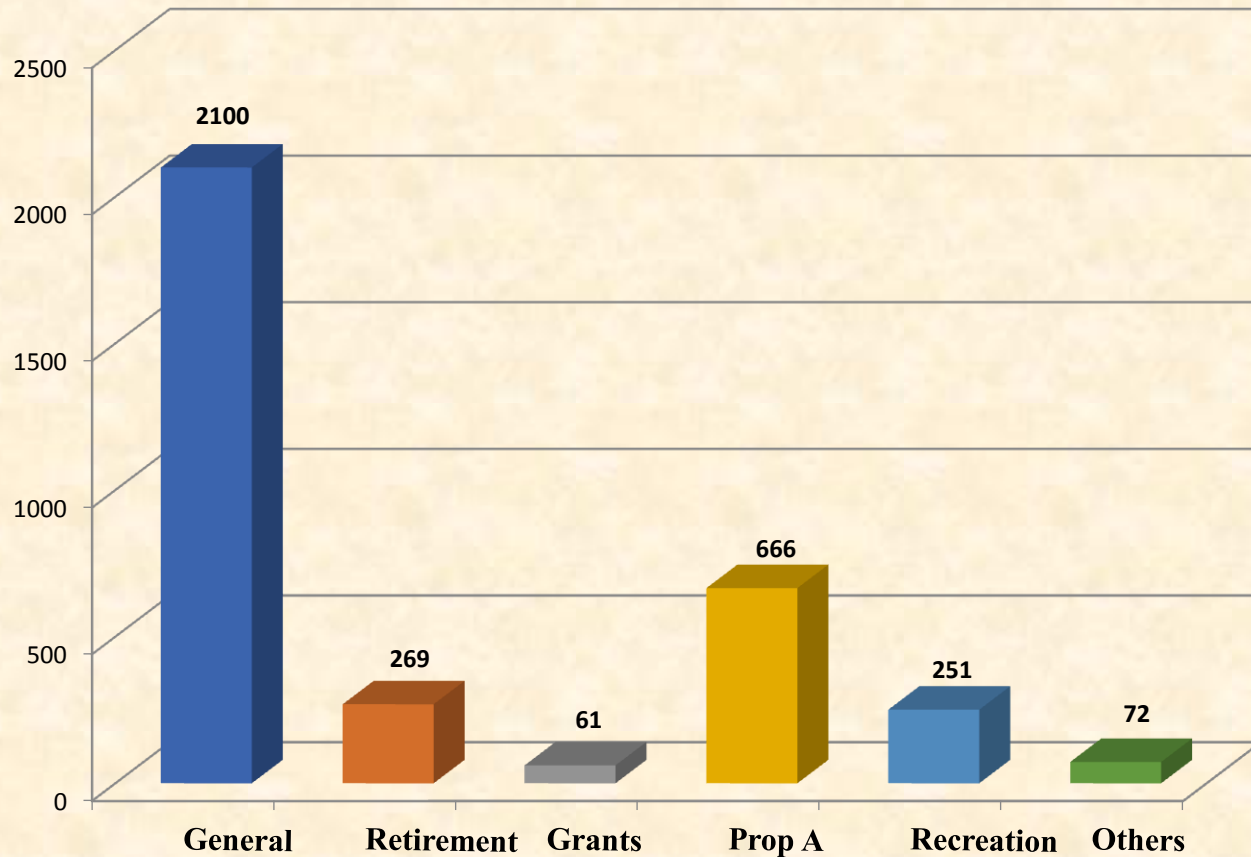
Recreation/Community Services

Proposed Budget

(\$ in thousands)	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Facilities Supervision (6502)	\$ 686	\$ 714	8.91
Aquatics (6503)	629	685	8.12
Langley Center (6505)	424	460	4.90
Childcare Activities (6506)	203	225	4.50
Recreation Activities (6507)	250	250	1.63
Community Participation (6508)	223	236	1.05
Media Production (6509)	197	208	1.36
Community Transportation (6511)	596	641	6.70
Total	<u>\$ 3,208</u>	<u>\$ 3,419</u>	<u>37.17</u>

Funding Sources

(\$ in thousands)



<u>General</u> \$2,099,744	<u>Retirement</u> \$269,461	<u>Grants</u> \$61,000
<u>Prop A</u> \$665,647	<u>Recreation</u> \$250,915	<u>Others</u> \$72,480

Major Program Expenditure Explanations 2018-2019

Inc/<Dec>

Facilities Supervision (6502)

- Electricity + \$ 10,000

Aquatics(6503)

- Pool chemicals, electricity, and repairs + \$ 19,000

Langley Center (6505)

- Sanitation supplies + \$ 9,500

❑ Major Accomplishments for 2017-18

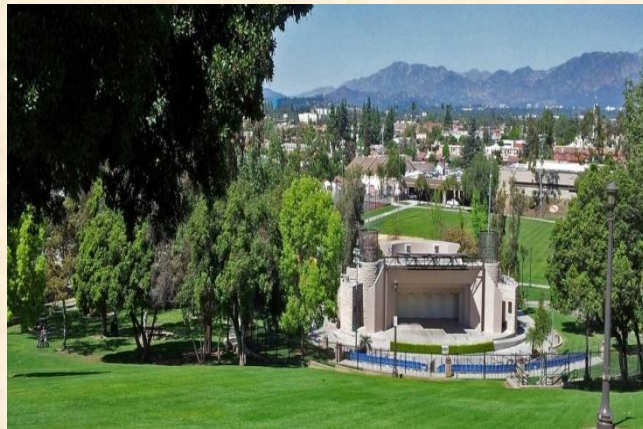
- Installed 10 underwater LED lights at Barnes Park pool
- Completed water softener project at Barnes Park pool
- Designed and developed marketing street banners for recreation classes
- Expanded “Movies in the Park” program to various parks
- Implemented Free “Concerts in the Park” at Barnes amphitheater
- Developed and implemented a senior fixed route for the senior residents
- Implemented monthly leisure seminars for seniors

□ Goals & Objectives for 2018-19

- Research and identify locations to offer drop in after school program and recreational activities
- Coordinate with Public Works to repair Elder Park pool deck
- Develop and implement year round swim lessons at Elder during off peak times
- Introduces Day Care American Sign language through daily lessons
- Expand and implement Dial-A-Ride services for Saturday and Sunday hours



Public Works



Public Works

**Activity 4201, 4202, 4203, 4204, 4205, 4206, 4207, 4208,
4209, 4210, 4211, 4212, 4220, 4221, 4222, 4223, 4224,
4226, 4227, 4228, 4229, 4230, 4231, 4232, 4233, 6516 & 6517**

Provides and maintain the City's Infrastructure and Parks operations:

- Community Transportation
- Engineering
- Maintenance Services
- Water Utility
- Parks

Public Works Proposed Budget

(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
<u>Community Transportation</u>			
Transportation (4201)	\$ 1,347	\$ 1,476	0.35
<u>Maintenance Services</u>			
Street (4202)	1,078	1,249	11.02
Storm Drain (4203)	290	319	1.18
Sanitary Sewer (4204)	1,269	1,397	7.12
Street Cleaning (4205)	350	358	0.05
Traffic Control (4206)	546	560	2.20
Street Lighting (4207)	680	722	.88
Refuse Collection (4208)	4,987	5,088	0.60
Administration (4209)	113	108	.89

Public Works Proposed Budget

(Continued)

(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
Building Maintenance (4210)	\$ 716	\$ 700	2.35
Motor Pool Shop (4211)	1,765	1,857	4.20
<u>Engineering</u>			
Engineering (4212)	983	1,011	6.25
<u>Water Utilities</u>			
Water Administration (4220)	1,297	238	1.35
Water Commercial (4221)	602	916	4.97
Water Production (4222)	3,186	3,871	0.60
Water Distribution (4223)	1,872	2,156	6.99
Water Capital (4224)	1,184	2,100	-
Well #5 Voc (4226)	889	2,391	2.13

Public Works Proposed Budget

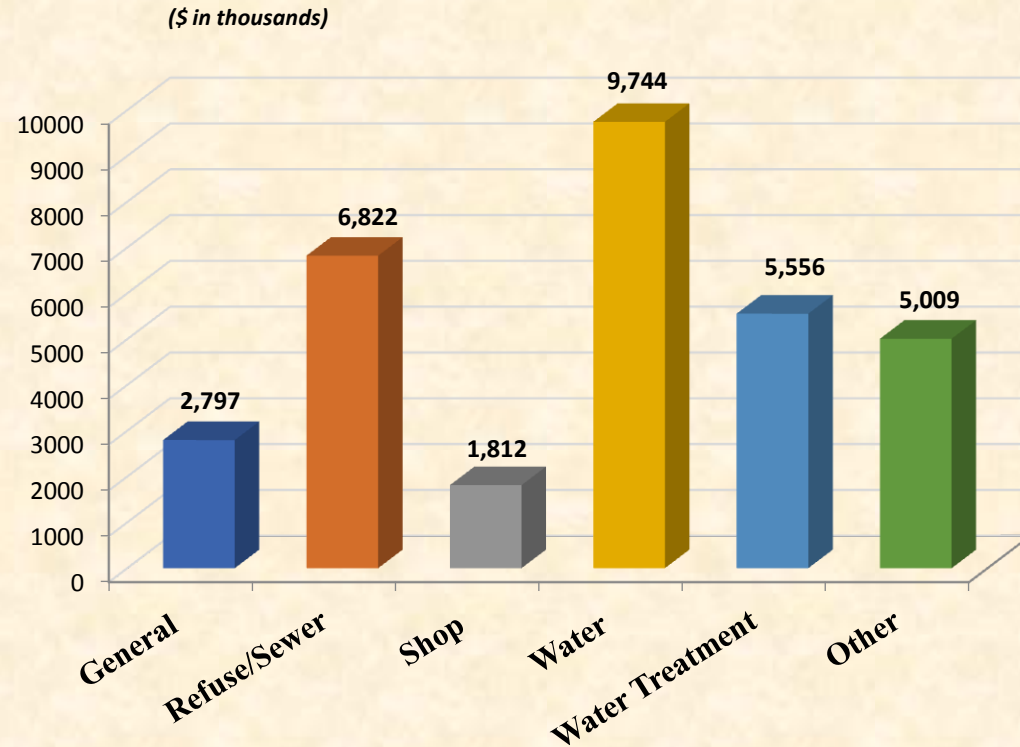
(Continued)

(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)	
Well #12 (4227)	811	1,165	2.21	
Delta Perchlorate (4228)	90	-	-	(1)
Well 1, 3, 10 (4229)	617	914	1.82	
Well 12 Dual Barrier (4230)	455	613	1.77	
Well #15 (4231)	215	386	1.54	
Well 5 Perchlorate (4232)	34	33	-	
Water Interconnection (4233)	50	53	-	
<u>Parks</u>				
Parkway Maintenance (6516)	1,069	1,109	4.00	
Parks (6517)	1,024	949	6.69	
Total	<u>\$ 27,519</u>	<u>\$ 31,739</u>	<u>71.16</u>	

(1) Delta Perchlorate has no activity

Funding Sources



<u>General</u> \$2,796,777	<u>Refuse/Sewer</u> \$6,822,326	<u>Shop</u> \$1,811,663
<u>Water</u> \$9,743,582	<u>Water Treatment</u> \$ 5,555,565	<u>Others</u> \$5,009,335

Others: Shop, Retirement, Prop A, C, Measure R, Gas Tax, and Grant funds

Major Program Expenditure Explanations

2018-2019

	<u>Inc/<Dec></u>
<u>Community Transportation (4201)</u>	
■ Allocate Director's salary for overseeing the functions	+ \$ 10,000
■ Spirit Bus contract	+ \$ 21,000
■ Prop A and C – General Liability shares	+ \$ 88,000
<u>Street Maintenance (4202)</u>	
■ Concrete, materials, and graffiti supplies	+ \$ 50,000
<u>Sanitary Sewer Maintenance (4204)</u>	
■ General Liability shares	+ \$ 84,000
<u>Street Lighting (4207)</u>	
■ Utilities per usage trend	\$ (28,000)
<u>Refuse Collection (4208)</u>	
■ Annual solid waste collection and recycling contract	+ \$ 88,000

Major Program Expenditure Explanations

2018-2019 (Continued)

Inc/<Dec>

Building Maintenance (4210)

- Building repairs and maintenance + \$ 28,000

Motor Pool Shop (4211)

- Leasing for unmarked police vehicles + \$ 38,000

Water Administration (4220)

- *Shifted General Liability and Indirect costs to Activity 4221 (\$118,000), 4222 (\$617,300), 4223 (\$357,000), 4226 (\$112,000), 4227 (\$106,000), 4229 (\$79,000), 4230 (\$60,000), 4231 (\$36,000)* \$ (1,4,85,300)

Water Commercial (4221)

- Costs for plumbing, irrigation and supplies + \$ 16,000

Water Distribution (4223)

- Siemens' Debt Service annual payment + \$ 42,000

Major Program Expenditure Explanations

2018-2019 (Continued)

Inc/<Dec>

Well No.5 Voc Treatment (4226)

- Chemical and material costs for Ground Water Treatment System + \$ 1,000,000
- Additional electricity for Ground Water Treatment + \$ 402,000
- Contractual costs for Ground Water Treatment System + \$ 66,000

Well No.12 Treatment Plant (4227)

- Water analysis and SCADA maintenance + \$ 111,000
- Plumbing/Irrigation Supplies for Well 12 + \$120,000

Well 1,3,10 & Fern Voc (4229)

- GAC replacement, supplies and maintenance + \$ 220,000
- Contractual Costs + \$110,000

Major Program Expenditure Explanations

2018-2019 (Continued)

Inc/<Dec>

Well 12 Dual Barrier (4230)

- Carbon replacements, supplies and maintenance + \$ 20,000
- Consulting Services for compliance and maintenance + \$ 120,000
- Completion of SGVMWD Loan payment \$ (38,000)

Well 15 (4231)

- Supplies for Variable Frequency Drives (VFD) and air condition units + \$ 27,000
- Contractual services for compliance and SCADA maintenance + \$10,000

❑ Major Accomplishments for 2017-18

- Created to test all city street signs, paint, and equipment supplies
- Completed a retaining wall and walkway for Garvey Ranch Basketball Court
- Established SOP to hydro-jet 126 miles of line annually
- Created to test city regulatory and traffic warning signs
- A feasibility study to transfer Garvey Ave for a more efficient street light program
- Executed new solid waste collection and recycling contracts
- Purchased Traffic Maintenance Stencil Truck and Water Truck
- Facilitated and oversaw Market Place and Courtyard Marriott Hotel construction
- Completed the construction of Centralized Groundwater Treatment System at Delta

❑ Major Accomplishments for 2017-18 - continued

12

- Installed AMR upgrades to new fire lines
- Rehabilitated Well No. 3 and No. 5 for increased pumping reliability and efficiency
- Constructed new water main line at Market Place and new fire line at new storage facility at Markland
- Updated water standards for Phase II of the Water Main Project
- Continued to meet pumping requirements per South El Monte Unit to remediate the contaminated well
- Performed well testing to increase water production
- Replanted 75 trees in City Parks
- Replaced trees in front of City Hall

□ Goals & Objectives for 2018-19

- Explore options to City's transportation services for Metro Gold line linkage, Potrero Grande, and the Market Place
- Explore efficient ways to fix potholes throughout community
- Seek grants for stormwater capture projects per TMDL requirements
- Develop and implement a Standard Operating Procedure to in-house hydroject clean the sewer mains
- Research facilities maintenance tracking software for preventative maintenance for 16 City buildings
- Issue RFP for the purchase of a Sewer Camera Truck
- Construct the Potrero Grande Beautification project

□ Goals & Objectives for 2018-19 - continued

- Complete the 2nd phase of water main replacements in east of Garfield Ave and north of Garvey Ave
- Operate efficiently with Groundwater Treatment System
- Complete the Water Master Plan
- Oversee the implementation of the Workforce and Fleet Management Program to improve water operations
- Work with Support Service Division to change current bi-monthly billing to monthly
- Inspect concrete and steel water storage reservoirs
- Maintain the wells and treatment plants to minimize to purchase water



Capital Improvements



Capital Improvement Program

Activity 4224, 5001, 5002

- Capital Improvement Program consists of :
 - Water Capital
 - Street Construction
 - Community Capital Improvement
- The Capital Improvement Program is designed according to the City's strategic planning, water, sewer, and park improvement master plans.

Capital Improvement Program

4224, 5001, 5002

3

- Water Capital (4224)

N. Atlantic Water System Improvement	\$ 1,100,000
Street Maintenance	<u>1,000,000</u>
	<u>\$ 2,100,000</u>

- Street Construction (5001)

Various Street Rehabilitation	1,023,000
Pavement Management Program Update	50,000
Potrero Grande Improvements	3,600,000
Station 63 Sidewalk / Slope Repair	15,000
Traffic Signal-Garfield-Graves	250,000
Garvey Reservoir Drainage Improvements	<u>280,000</u>
	<u>\$ 5,218,000</u>

Capital Improvement Program

4224, 5001, 5002 (continued)

■ Community Capital (5002)

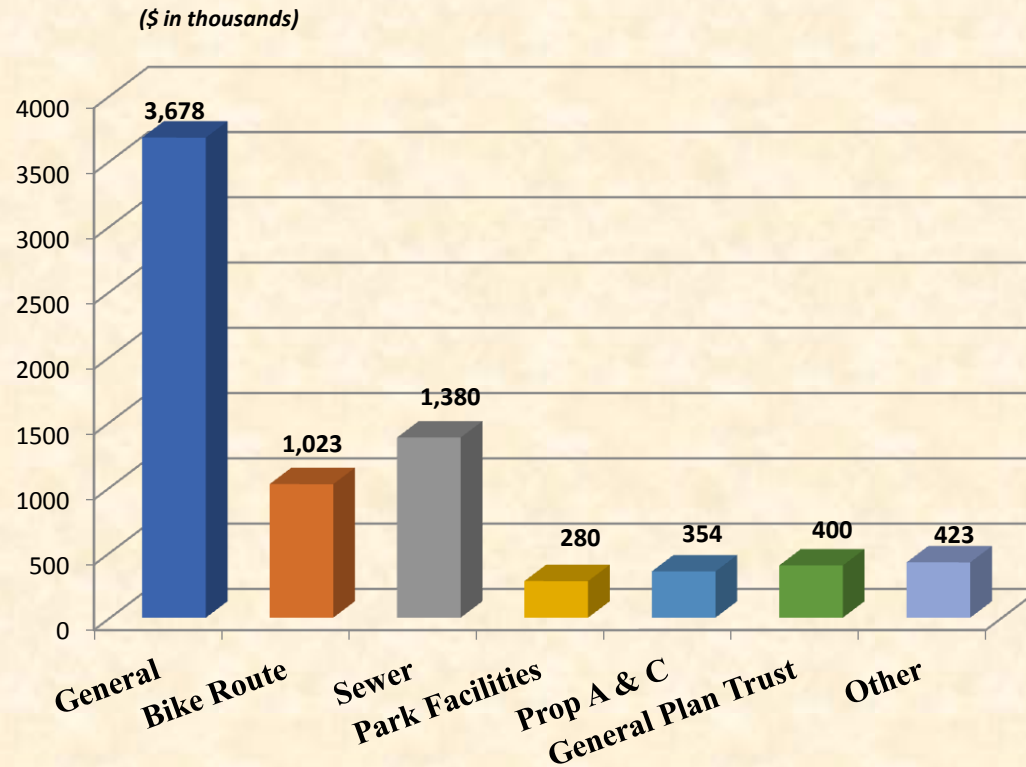
N. Atlantic Sewer System Improvement	\$ 1,000,000
CNG Fueling Compressor System	175,000
Tree Well Maintenance	5,000
Playground Equipment and Surface Replacement	280,000
MPK-TV Mobile Video Equipment	35,000
Sewer Master Plan	100,000
City Manager/City Council Safety Area Improvement	40,000
Comprehensive General Plan Update	400,000
IT Network Equipment & Server Upgrade	57,000

Capital Improvement Program

4224, 5001, 5002 (Continued)

IT Network Switch Replacement	\$ 85,000
Specialty Restaurant/Golf Course Maintenance	75,000
Small Capitals for Public Work - 15 CNG Cylinders	45,000
Small Capitals for Police - Uninterruptible Power Source battery	<u>24,000</u>
	<u>\$ 2,321,000</u>
Total	<u>\$ 9,639,000</u>

Funding Sources



<u>General</u> \$3,678,534	<u>Bike Route</u> \$1,023,000	<u>Sewer</u> \$1,380,000	<u>Park Facilities</u> \$280,000
<u>Prop A & C</u> \$354,256	<u>Other</u> \$423,572	<u>General Plan Trust</u> \$400,000	

Non-Departmental



Non-Departmental Proposed Budget

Activity 5101, 5102, 8301

(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19
General Liabilities Program (5101)	\$ 3,447	\$ 3,117
Post Employment (5102)	9,831	9,292
Workers' Compensation (8301)	1,350	1,909
Total	<u>\$ 14,628</u>	<u>\$ 14,318</u>

Non-Departmental Activity 5101, 5102, 8301

□ General Liabilities (5101)

- Self-insured for general liabilities claims
- ICRMA covers excess coverage from \$500,000 to \$30 million per occurrence
- Legal fees associated with claims and lawsuits total \$250,000
- General liability premiums and claims decreased by \$170,000 due to shifting earthquake and property insurance premiums to Activity 1802 (Risk Management)

Non-Departmental Activity 5101, 5102, 8301 (Continued)

□ Post Employment (5102)

- Pay for employees' separation benefits
- FY 2018-19, paydown of UAL is \$ 400,000
- Included primarily retiree medical \$1.25 million; Pension Obligation Bonds \$1.23 million; Mass Mutual retirement Contribution \$1 million; Post retirement medical liabilities (OPEB) \$950,000, and General Fund Pension supplement, \$2.6 million
- Proposed transfer from Separation Benefits Fund to General Liability Fund \$500,000

Non-Departmental

Activity 5101, 5102, 8301

(Continued)

☐ Workers' Compensation (8301)

- Self-insured claims under \$500,000 and excess coverage provided by ICRMA
- Workers' Comp claims + \$200,000
- Workers' Comp premiums + \$200,000

2018-2019 Preliminary Budget

- City Council directions
- Revise and finalize 2018-2019 Budget
- Final Budget Resolution is scheduled at June 20th Council meeting

City Council



City Council

Activity 1101

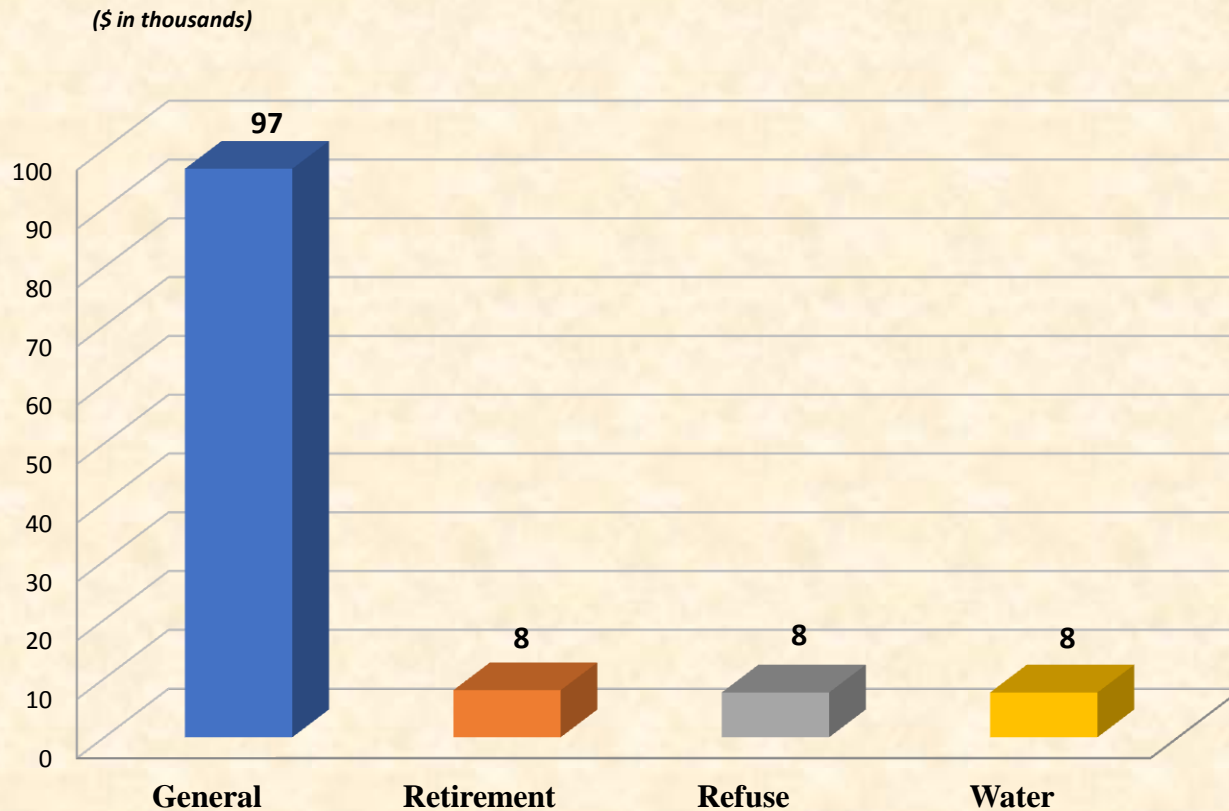
Legislative and Policy-Making Body for:

- Establishing the quality of municipal services and community's environment,
- Promoting accountability and confidence,
- Determining service levels and revenue obligations,
- Establishing service goals and policies

City Council Proposed Budget

Adopted 2017-18	Proposed 2018-19
<hr/>	<hr/>
\$122,521	\$119,932

Funding Sources



<u>General</u> \$96,694	<u>Retirement</u> \$8,000
<u>Refuse</u> \$7,619	<u>Water</u> \$7,619

Regional Associations



Regional Associations Proposed Budget

Activity 1110

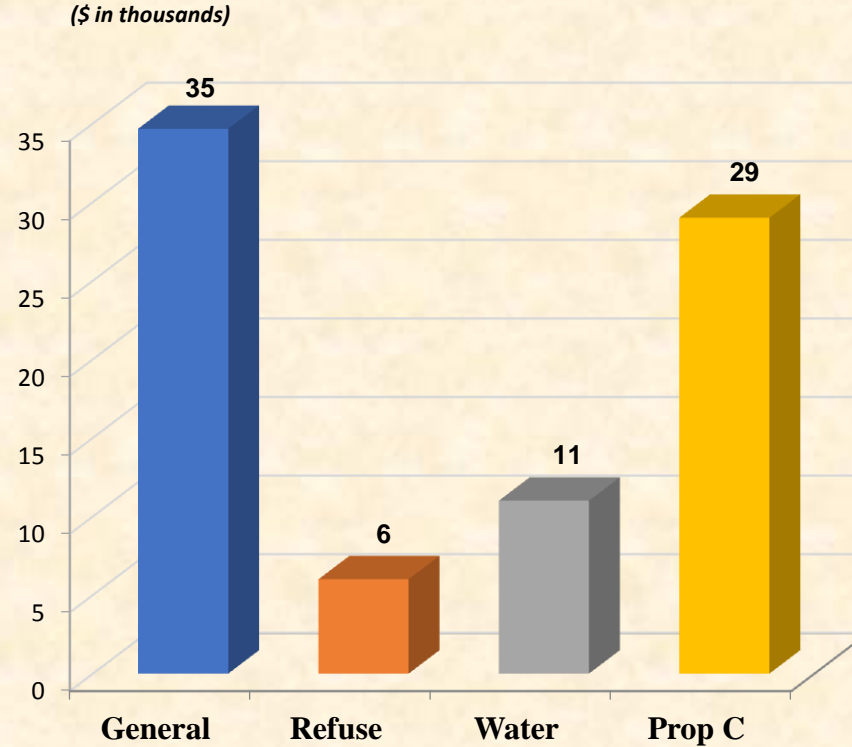
- Memberships in outside agencies and organizations in achieving the needs of the community

Adopted 2017-18	Proposed 2018-19
<hr/>	<hr/>
\$ 78,388	\$ 80,663

- Independent Cities Association
- League of California Cities
- League of California Cities – Los Angeles County Division
- Southern California Association of Governments
- San Gabriel Valley Council of Governments
- California Contract Cities Association
- San Gabriel Valley Economic Partnership
- International Council of Shopping Centers
- Membership fees are increased for \$ 2,300

Funding Sources

3



<u>General</u> \$34,663	<u>Refuse</u> \$6,000
<u>Water</u> \$11,000	<u>Prop C</u> \$29,000

City Manager



City Manager

Activity 1201, 1203

- Provide overall direction and coordination of City operations
- Assure City services, laws, and programs remain relevant to community needs
- Provide useful and timely data for policy action
- Promote operation productivity

City Manager Proposed Budget

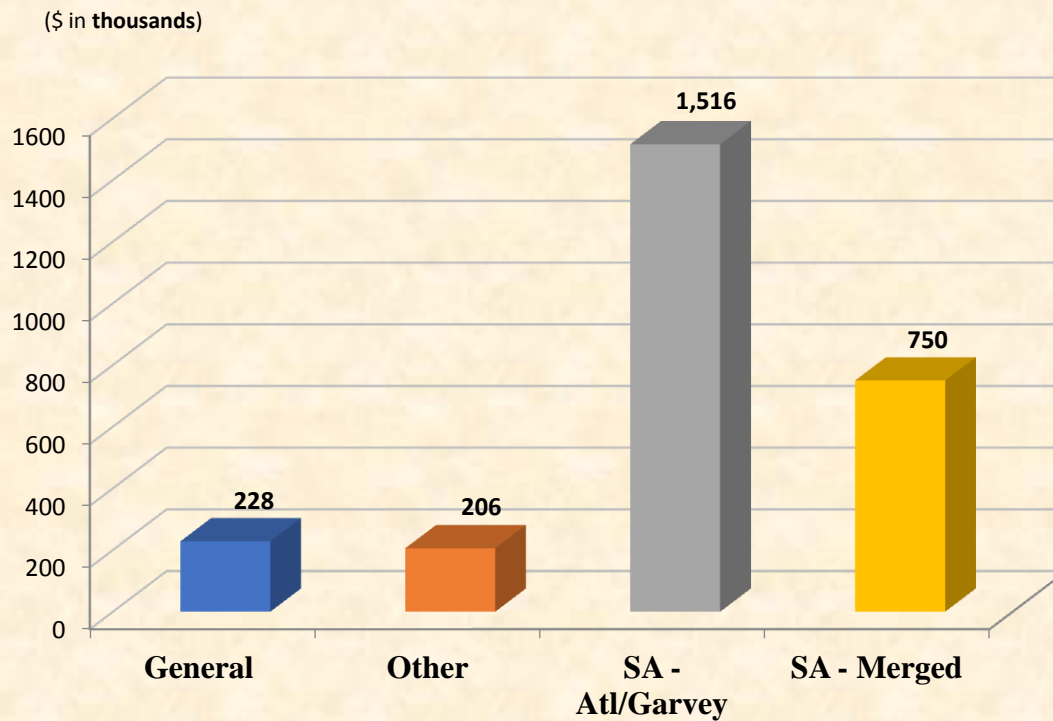
Activity 1201, 1203

(\$ in thousands)

	Adopted 2017-18	Proposed 2018-19	Personnel (FTE)
City Manager (1201)	\$ 402	\$ 434	1.80
SA (1203)	2,215	2,265	0.50
Total	\$ 2,617	\$ 2,699	2.30

- Amounts in SA are for TI Bond payments & admin costs
- SA admin costs are reduced from \$250,000 to \$190,000 for 2018-19 (City Manager 0.20 FTE, Director of Management Services 0.20 FTE, Economic Development Specialist 0.10 FTE)

Funding Sources



<u>General</u> \$228,154	<u>Other</u> \$205,804
<u>SA-Atlantic/Garvey</u> 1,515,757	<u>SA-Merged</u> \$749,830

❑ Major Accomplishments for 2017-18

- Established internal coordination for the opening of Costco and Home Depot as well as on-going Market Place development
- Established a Code Enforcement Code to improve property maintenance for the community
- Continued to provide excellent customer service to improve the quality life for resident and businesses
- Continued marketing the community to regional and national businesses to create a “business-friendly” environment

□ Goals & Objectives for 2018-19

- Continue to execute the goals of the Council for citywide street rehabilitations, utility infrastructure, economic development projects, and community services
- Continue to provide excellent customer service to improve quality of life for residents and businesses
- Seek options to reduce pension unfunded liability
- Identify new revenue opportunities to increase the organizations reserves and community services
- Pursue financing opportunities for major street rehabilitations and fire trucks purchase

City Clerk



City Clerk

Activity 1301

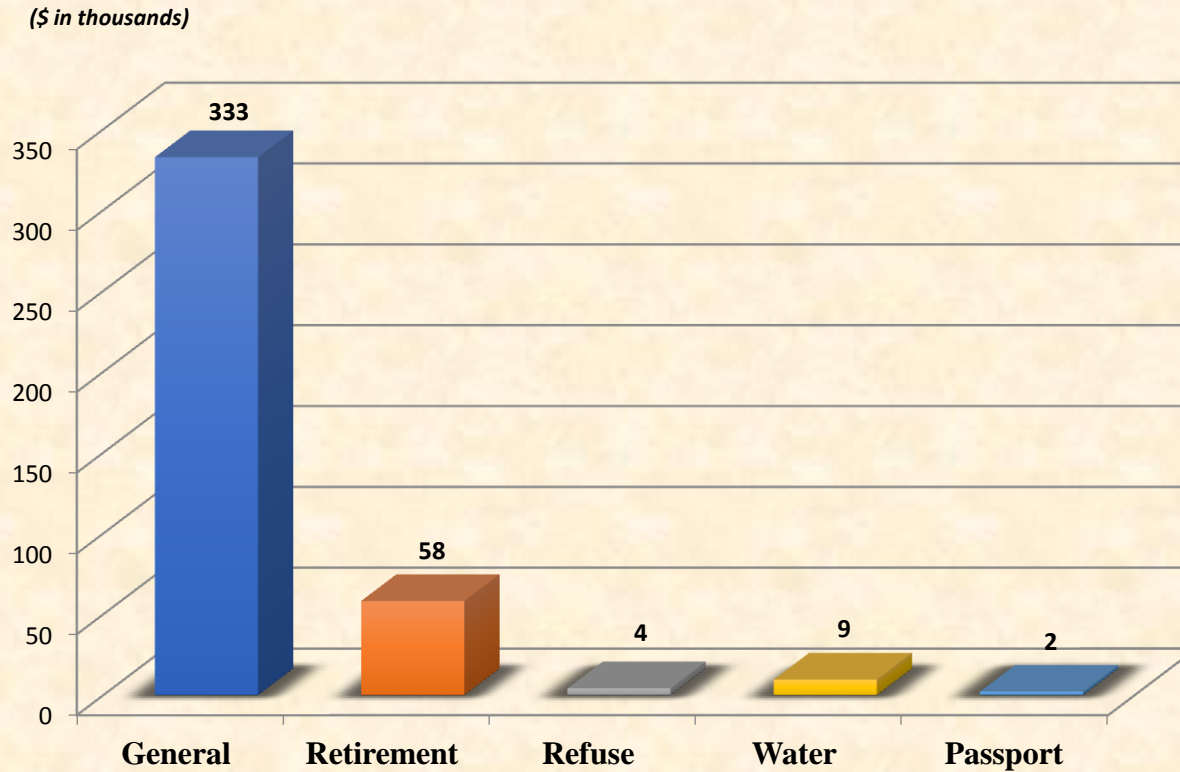
- Maintain safe, efficient storage and use of official city documents and records and conduct municipal election
- Record the proceedings and actions for legal reference, historic information and continuity of government
- Understand and administer the Political Reform Act
- Provide technical and procedural support to City Council
- Provide voter registration service

City Clerk Proposed Budget

<u>Adopted 2017-18</u>	<u>Proposed 2018-19</u>	<u>Personnel (FTE)</u>
\$ 368,218	\$ 406,918	4.25

- Upgrade Secretary to City Clerk Assistant, + \$8,981

Funding Sources



<u>General</u> \$332,741	<u>Retirement</u> \$58,257	
<u>Refuse</u> \$4,220	<u>Water</u> \$9,570	<u>Passport</u> \$2,130

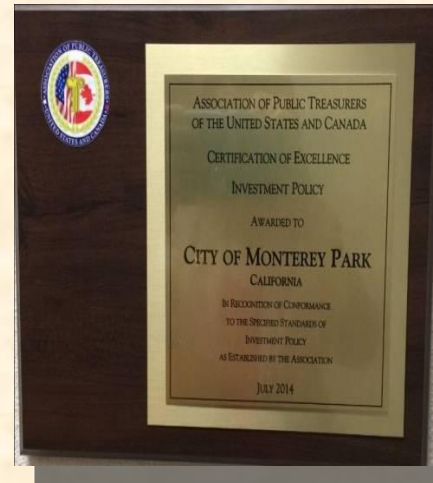
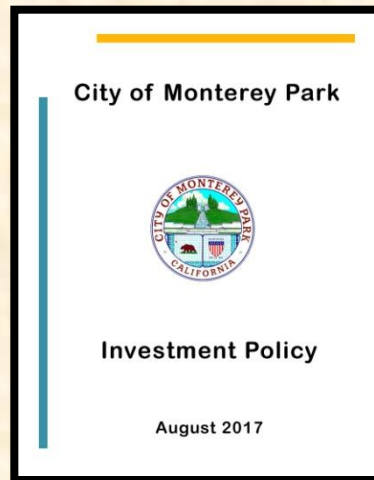
❑ Major Accomplishments for 2017-18

- Completed a General Municipal Election in March 2017 for two council seats, a City Clerk, and a City Treasurer seat.
- Hosted a Spring Cleaning event for the community to dispose of bulky items and sensitive documents.
- Transitioned the City's general municipal election with the State primary elections beginning March 3, 2020.

❑ Goals & Objectives for 2018-2019

- Secure a records management consultant to assist with inventory for citywide records and prepare a RFP to purchase and implement an enterprise content management (ECM) system
- Work with various departments on the Chambers renovation

City Treasurer



City Treasurer

Activity 1501

Oversee the investment and cash management of the City

- Provide overall investment management in the order of safety, liquidity, and yield
- Provide investment reporting to Council
- Review and update the City's investment policy annually

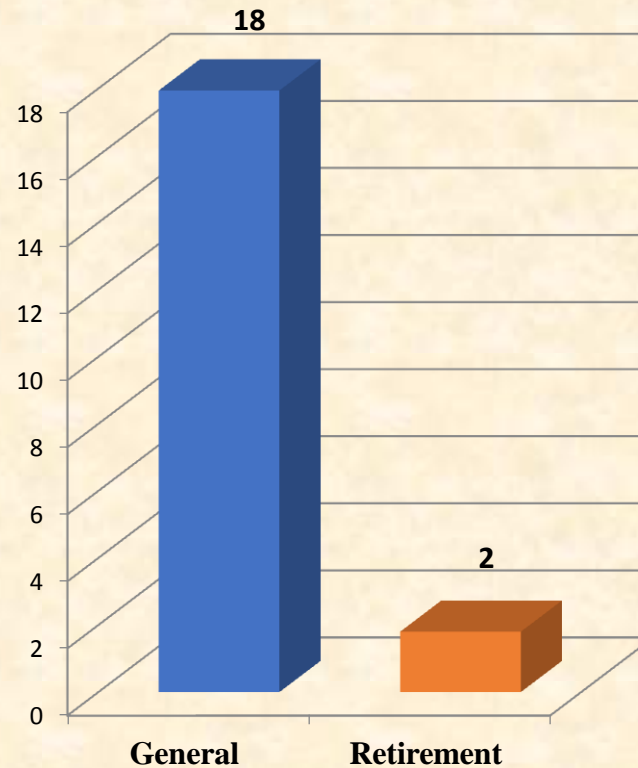
City Treasurer Proposed Budget

City Treasurer is an elected position with Finance assistance.

Adopted 2017-18	Proposed 2018-19
<hr/>	<hr/>
\$ 20,235	\$ 19,741

Funding Sources

(\$ in thousands)



<u>General</u> \$17,941	<u>Retirement</u> \$1,800
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❑ Major Accomplishments for 2017-18

- Presented Annual City Investment Policy in August 2017
- Maximized interest earnings for FY 2017-2018
- Continued receiving Investment Policy Certificate of Excellence Award

❑ Goals & Objectives for 2018-19

- Continue evaluating investment options
- Evaluate City's investment policy & internal controls to ensure the proper segregation of duties

City Attorney

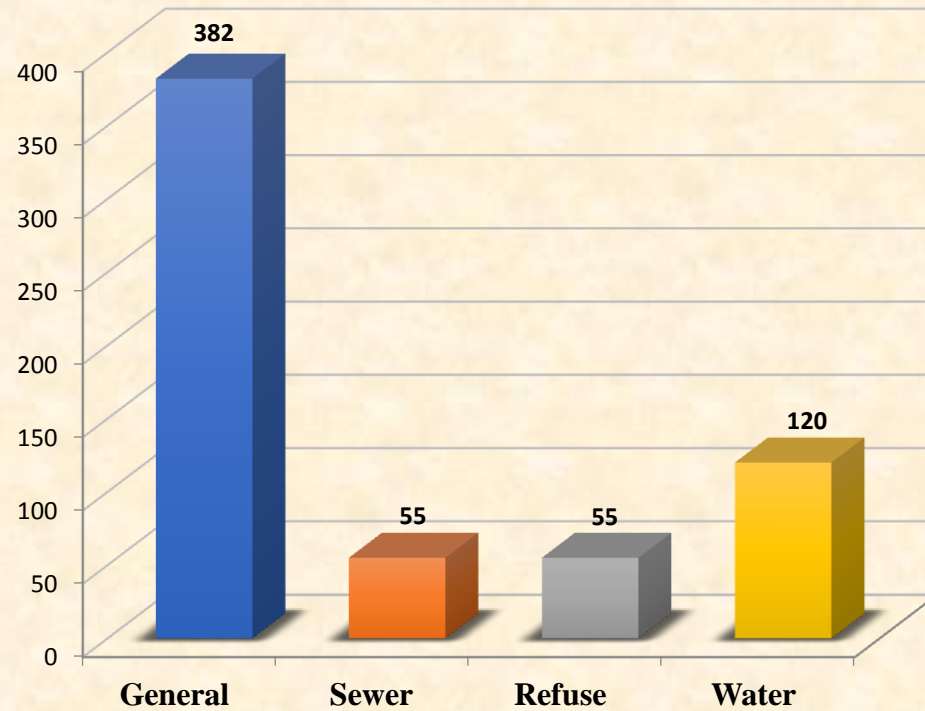


City Attorney Activity 1601

- Act as the City's legal counsel and advise City on legal matters

Funding Sources

(\$ in thousands)



<u>General</u> \$382,100	<u>Refuse</u> \$55,000
<u>Sewer</u> \$55,000	<u>Water</u> \$120,000

City Attorney Proposed Budget

	Adopted 2017-2018	Proposed 2018-2019
General Services	\$ 278,000	\$ 287,000
Labor Relations/Personnel	70,000	71,500
Special Services/General Litigation/Personnel Matters/ Municipal Code Prosecutions	246,200	253,600
Total	<u>\$ 594,200</u>	<u>\$ 612,100 ⁽¹⁾</u>

Note: Legal services are provided by Hensley Law Group, Dapeer, Rosenblit & Litvak, Liebert, and Cassidy & Frierson

(1) Increased \$17,900 for CPI adjustments

City of Monterey Park

2018-2019



The End

Preliminary Budget